



July 28, 2023

Governor Katie Hobbs
1700 W. Washington
Phoenix, Arizona 85007

Dear Governor Hobbs,

This is the report you requested.

The first point to make is that the decision of Christine Accurso and her assistant, who came on to straighten out the mess caused by the previous administration, and when that was accomplished, left to go on to other things, has absolutely nothing to do with any reported data breach.

We answer your questions in the order that they were propounded:

1. Our office contacted ClassWallet, the program's financial vendor to notify them of the purported breach. We sent an email to ClassWallet telling them to either fix the problem or shut down the processing of all transactions. ClassWallet informed us that they had solved the problem. After that, we got a message from the Office of the State Treasurer that we did not have authority to request the stopping of processing of transactions because the contract was not between the Department of Education and ClassWallet, but it was between the Office of the State Treasurer and ClassWallet. ClassWallet sent us an email, which is attached as an exhibit to this letter. It stated in part:

"The problem has been resolved. It was a permission setting error. Once discovered, we (ClassWallet) took immediate action and corrected the permission setting.

Additionally, we performed a database search and concluded no other users were affected. Therefore, this is an isolated incident to a single user."

2. Parents were not notified because of the finding that it was a unique and isolated incident that affected no other users and was corrected right away.

3. See answer to number two.



4. The Department of Homeland Security in your own office is conducting an investigation. They met with officials in our office. Since the department of homeland security is part of your office, we would have thought you would have checked with them before writing your letter that is full of wild exaggerations.

5. No. That would be a matter for your own department of homeland security which again, we are surprised you did not check with.

I beat your six day deadline by six days.

Sincerely,

A handwritten signature in blue ink that reads "Tom".

Tom Horne
State Superintendent of Public Instruction
Arizona Department of Education

Nick, Doug

From: Nick, Doug
Sent: Friday, July 14, 2023 2:25 PM
To: Harding, Art
Subject: FW: ClassWallet Response

From: Accurso, Christine <Christine.Accurso@azed.gov>
Sent: Friday, July 14, 2023 2:22 PM
To: Sbarcea, Christine <Christine.Sbarcea@azed.gov>; Nick, Doug <Doug.Nick@azed.gov>
Subject: ClassWallet Response

Doug & Christine,

ClassWallet responded with the below response. We have sent a number of questions to them to dig deeper into how this happened. However, for now we will continue, business as usual. I spoke to the Superintendent. We will NOT be sending out any communications to the parents or the press release. We can keep their response on hand in case the media questions Doug about it.

Peace,
Christine

Hi Christine,

The problem has been resolved. It was a permission setting error. Once discovered, we took immediate action and corrected the permission setting.

Additionally, we performed a database search and concluded no other users were affected. Therefore this is an isolated incident to a single user.

Jamie



Jamie Rosenberg
Chief Executive Officer, ClassWallet

